



# Arizona Department of Administration, State Procurement Office (SPO) Publication

This publication is not intended or represented to be the official record of laws and regulations covered under statutes, A.R.S. 41-2501 et seq., and administrative rules and regulations A.A.C. R2-7-101 et seq., that constitute the Arizona Procurement Code ("Code"). In the event of a discrepancy between this publication and applicable statute and rule, statute and rule shall prevail.

## SPO Technical Bulletin No. 012 Revision No. 2 Procurement Performance Reviews

### I. Statement:

This technical bulletin is issued to update and revise PCAP (now SPO) policy No. 012 "Procurement Performance Reviews" of State governmental units".

### II. Authority:

- **A.R.S. § 41-2511** Authority of the Director;
- **A.R.S. § 41-2512** Delegation of authority by the Director;
- **R2-7-201** State Procurement Administrator Duties and Qualifications; and
- **R2-7-202** Delegation of Procurement Authority to State Governmental Units:

### III. Alternate document/publication resources:

- SPO technical bulletin No. 003; "Delegation of Procurement Authority" ([www.azspo.az.gov](http://www.azspo.az.gov) in the procurement documents section)
- Arizona Procurement Code. ([www.azspo.az.gov](http://www.azspo.az.gov) in the procurement documents section)

### IV. Definitions:

1. **APC:** The Arizona Procurement Code.
2. **ACPO:** Agency Chief Procurement Officer. The person within the State governmental unit (state agency), as identified by the State governmental unit head, who is acting under specific, written authority from the state procurement administrator in accordance with R2-7-202 or any person delegated that authority, in writing, under R2-7-203. The term does not include any other procurement officer or person within a state governmental unit who does not have this written delegation of authority.

3. Director: The Director of the Department of Administration.
4. State Governmental Unit: Any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State subject to the provisions of the Arizona Procurement Code (a.k.a. State Agency).
5. Governor's Executive Order: An action by the Governor of Arizona that has the legal authority of a law, often dealing with regulations or the workings of agencies.
6. GAO: The General Accounting Office.
7. IFB: Invitation for Bid.
8. RFP: Request for Proposals.
9. RFQ: Requests for Quotations.
10. SCC: Strategic Contracting Centers.
11. SPA: The State Procurement Administrator.
12. SPO: The State Procurement Office.
13. SPO-C: State Procurement Office – Compliance

#### **V. Overview:**

By A.R.S. §41-2511 (B) the Director of the Department of Administration is the central procurement officer for the State. The Director explicitly delegates this authority and the authority to further delegate procurement authority to the State Procurement Administrator (SPA) R2-7-201.

By direction of the SPA, SPO-C provides central management of the delegation program and delegation of procurement authority to State agencies. SPO technical bulletin No. 003 "Delegation of Procurement Authority" describes this program in detail.

To ensure that State agencies properly exercise purchasing authority in accordance with delegation agreements conformance to the Arizona Procurement Code, applicable Executive Orders, and SPO technical bulletins, SPO has implemented the Procurement Performance Review Program.

#### **VI. Reviews:**

Reviews of State agencies with delegated procurement authority of more than \$100,000.00 shall be performed by the SPO-C. Reviews of State agencies with procurement delegations of \$100,000.00 or less

may be performed by the SPO-C when determined necessary by the SPA. SPO-C may also rely on recent internal or external audits performed by others, such as the Auditor General's Office, as a means to supplement the reviews.

## **VII. Review Schedules:**

Reviews will be performed based on SPO-C priorities or individual State Agency requests. State agencies with delegated procurement authority of more than \$100,000.00 shall be reviewed at least once every 3 years. State agencies will be notified in advance of the review.

## **VIII. Procurement Performance Review Procedures:**

- 1 Phase 1: SPO-C will conduct a delegation interview with the State agency's Director, assigned Chief Procurement Officer or their designee to:
  - 1.1 Introduce staff;
  - 1.2 Provide a program overview;
  - 1.3 Discuss the program and its effect on the agency; and
  - 1.4 Listen to any concerns the agency may have relating to its delegation or the delegation program.
- 2 Phase 2: SPO-C will perform an administrative document review to include, at a minimum the following purchasing related documents:
  - 2.1 Organizational Chart;
  - 2.2 Purchasing Policy and Procedures Manual;
  - 2.3 List of current delegated employees;
    - 2.3.1 Delegated employees roles and responsibilities;
    - 2.3.2 Delegated employee résumé's;
    - 2.3.3 List of annual training accrued by delegated employees; and
  - 2.4 Other administrative documents as may be requested.
- 3 Phase 3: SPO-C will perform a procurement document review to include a representative sample of any or all of the following:
  - 3.1 Purchase Orders (issued under state contracts and/or agency initiated contracts);
  - 3.2 Requests for Quotations;
  - 3.3 Invitations for Bid (SCC and non SCC type);
  - 3.4 Requests for Proposals (SCC and non SCC type);
  - 3.5 Sole-Source Procurements (ARS 41-2536).

- 3.6 Emergency and/or Competition Impracticable Procurements (ARS 41-2537);
- 3.7 Other procurement related files as may be requested.

#### **IX. Preliminary Procurement Performance Review Report:**

Upon completion of the review, the APO-C will issue a preliminary report and meet with the agency to discuss the reports findings and recommendations. Should the agency agree with report findings, SPO-C shall finalize the report for SPA review. Any areas of disagreement may be:

- 1 Discussed and resolved during the preliminary report review meeting; or
- 2 Detailed in writing and submitted to SPO-C for consideration. If electing this option the agency shall:
  - 2.1 Cite the specific area or areas of disagreement and shall provide all relevant information or documentation to support the position; and
  - 2.2 Submit its written response within 30 days after the preliminary report review meeting or as mutually agreed upon by the agency and SPO-C.
- 3 Non-responses will be considered an agreement by agency to preliminary report findings.

#### **X. Final Procurement Performance Review Report:**

At the conclusion of item XIII requirements, and with consideration given to all relevant information that may be provided by the agency, SPO-C shall issue a final report of findings and recommendations to the SPA.

#### **XI. Final Administrative Report:**

The SPA shall issue a final administrative report to the agency Director that may:

- 1 Certify compliance;
- 2 Make recommendations for improvement;
- 3 Request corrective actions be taken;
- 4 Suspend, revoke, modify the State agency's delegation; or
- 5 Take other appropriate actions as necessary.



Jean A. Clark, MPA, CPPO, CPPB, CPM, C.P.M.  
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December 18, 2006

Date